

ORIGINAL

NEW APPLICATION



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Verizon Business

RECEIVED

2011 DEC -6 P 4:39
December 5, 2011

State Government Relations
5055 North Point Parkway
Alpharetta, GA 30022

AZ CORP COMMISSION
DOCKET CONTROL

Transmittal No. 11-01

VIA FEDERAL EXPRESS

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

T-03574A-11-0436

Re: **Verizon Access Transmission Services: Tariff No. 2**
Intercarrier Compensation Regime for Certain VoIP-PSTN Traffic;
FCC Report and Order and Further Notice of Proposed Rulemaking in WC
Dockets No. 10-90, etc.

Dear Madam/Sir:

Please find attached an original and thirteen (13) copies of revisions to MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services ("Verizon Access") Arizona Tariff No. 2 to take effect on January 1, 2012.

The following pages are being revised:

<u>Page No.</u>	<u>Revision</u>
1	4
2	4
2.1	Original
21.4	Original
21.5	Original
21.6	Original
21.7	Original
21.8	Original

Arizona Corporation Commission
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These tariff pages reflect Verizon Access' implementation of the intercarrier compensation regime for certain VoIP - PSTN traffic that was recently mandated (absent agreement by the affected companies) by the Federal Communications Commission ("FCC") in its November 18, 2011 Report and Order and Further Notice of Proposed Rulemaking in WC Dockets No. 10-90, etc. In accordance with that Order, the tariff revisions will take effect January 1, 2012.

The amendments implement a methodology, consistent with the FCC's Order, for separating Relevant VoIP-PSTN traffic from access traffic that will be billed at standard intrastate switched access rates. The VoIP-PSTN traffic so identified will be billed at the rates set forth in MCImetro's interstate access tariff.

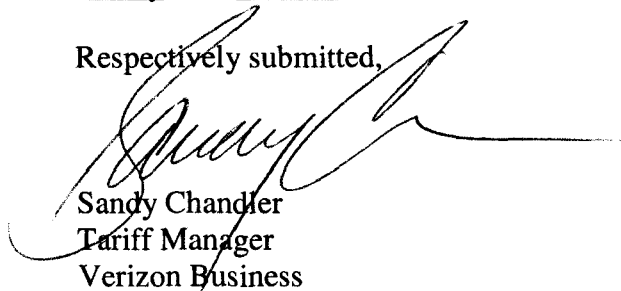
Letter to Docket Control
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Page 2

The tariff makes reasonable provisions for retroactive billing adjustments in the case of delays in the initial implementation of this methodology.

The new regime implemented by this tariff will result in rate reductions for many if not all access customers, and is part of an overall regulatory scheme that, as the FCC has found, will result in significant public benefits.

Please date stamp and return the extra copy of this cover letter in the enclosed self-addressed stamped envelope, indicating receipt. If you have questions regarding this filing, please contact me either at (888) 215-5680 or sandy.chandler@verizon.com.

Respectively submitted,



Sandy Chandler
Tariff Manager
Verizon Business

Enclosure

ACCESS SERVICES

CHECK SHEETS

The Title Page and Pages 1 – 63 and Price List pages PL1 – PL3 inclusive of this tariff and Price List are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

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* New or Revised Page

Issued: December 6, 2011

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ACCESS SERVICES

CHECK SHEETS

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CHECK SHEETS

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ACCESS SERVICES

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic

2.3.3.4.1 Scope

2.3.3.4.1.1 VoIP-PSTN Traffic is defined as traffic exchanged between a Company end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates (unless the parties have agreed otherwise) by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order"). Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Order.

2.3.3.4.1.2 This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Order.

2.3.3.4.2 Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Company's applicable tariffed interstate switched access rates in MCImetro Access Transmission Services LLC Tariff FCC No. 1.

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ACCESS SERVICES

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.3 Calculation and Application of Percent-VoIP-Usage Factor

The Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection 2.3.3.4.2, above, by applying a Percent VoIP Usage ("PVU") factor to the total intrastate access MOU exchanged between a Company end user and the customer. The PVU will be derived and applied as follows:

2.3.3.4.3.1 The customer will calculate and furnish to the Company a factor (the "PVU-C") representing the percentage of the total intrastate and interstate access MOU that the customer exchanges with the Company in the State, that (a) is sent to the Company and that originated in IP format; or (b) is received from the Company and terminated in IP format. This PVU-C shall be based on information such as the number of the customer's retail VoIP subscriptions in the state (*e.g.*, as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

2.3.3.4.3.2 The Company will, likewise, calculate a factor (the "PVU-V") representing the percentage of the Company's total intrastate and interstate access MOU in the State that the Company originates or terminates on its network in IP format. This PVU-V shall be based on information, such as the number of the Company's retail VoIP subscriptions in the state (*e.g.*, as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

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ACCESS SERVICES

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.4.3.3 The Company will use the PVU-C and PVU-V factors to calculate a PVU factor that represents the percentage of total intrastate and interstate access MOU exchanged between a Company end user and the customer that is originated or terminated in IP format, whether at the Company's end, at the customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-V factor times (1.0 minus the PVU-C factor).

2.3.3.4.3.4 The Company will apply the PVU factor to the total intrastate access MOU exchanged with the customer to determine the number of Relevant VoIP-PSTN Traffic MOUs.

Example 1: The PVU-V is 10% and the PVU-C is 40%. The PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the customer's intrastate access MOU at its applicable tariffed interstate rates.

Example 2: The PVU-V is 10% and the PVU-C is 0%. The PVU factor is $0\% + (100\% \times 10\%) = 10\%$. The Company will bill 10% of the customer's intrastate access MOU at the Company's applicable tariffed interstate switched access rates.

Example 3: The PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. The Company will bill 100% of the customer's intrastate access MOU at the Company's applicable tariffed interstate switched access rates.

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ACCESS SERVICES

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.4.3.5 If the customer does not furnish the Company with a PVU-C pursuant to the preceding paragraph 1, the Company will utilize a PVU equal to the PVU-V.

2.3.3.4.4 Initial PVU Factor

If the PVU factor is not available and/or cannot be implemented in the Company's billing systems by January 1, 2012, once the factor is available and can be implemented the Company will adjust the customer's bills to reflect the PVU retroactively to January 1, 2012. In calculating the initial PVU, the Company will take the customer-specified PVU-C into account retroactively to January 1, 2012, *provided that* the customer provides the factor to the Company no later than April 15, 2012; otherwise, it will set the initial PVU equal to the PVU-V, as specified in subsection 2.3.3.4.3.5, above.

2.3.3.4.5 PVU Factor Updates

The customer may update the PVU-C factor quarterly using the method set forth in subsection 2.3.3.4.3.1, above. If the customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Company will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

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ACCESS SERVICES

2. REGULATIONS (Cont.)

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.6 PVU Factor Verification

Not more than twice in any year, the Company may ask the customer to verify the PVU-C factor furnished to the Company and customer may ask the Company to verify the PVU-V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors.

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